

CITY OF AUBURN FIRST TIME HOME BUYER DOWN PAYMENT ASSISTANCE PROGRAM

Thank you for your interest in the City of Auburn's First Time Home Buyer Down Payment Assistance Program. The Program is designed to promote home ownership for low income, first time homebuyers. Down payment assistance is in the form of a deferred loan (second mortgage), not due and payable until sale or transfer of property or 30 years, whichever occurs first. The amount of assistance will not exceed \$140,000.

APPLICANT ELIGIBILITY--

Income:

Eligible participants must have gross annual incomes at or below 80 percent of the median income for Placer County adjusted for household size.

First Time Home Buyer:

Eligible participants (both applicant and co-applicant) must meet one of the definitions of a first time Home Buyer as described below:

1. applicant(s) shall not have owned a home, except a mobile home not affixed to a permanent foundation, during the three years prior to applying for assistance under the City's Down Payment Assistance Program; or
2. a displaced homemaker who, while a homemaker, owned a home with his or her spouse or resided in a home owned by the spouse. A displaced homemaker is an adult who has not, within the preceding 2 years, worked on a full-time basis as a member of the labor force for a consecutive twelve-month period and who has been unemployed or under-employed, experienced difficulty in obtaining or upgrading employment and worked primarily without remuneration to care for his or her home and family; or

3. a single parent who, while married, owned a home with his or her spouse or resided in a home owned by the spouse. A single parent is an individual who is unmarried or legally separated from a spouse and has one or more minor children for whom the individual has custody or joint custody or is pregnant; or
4. an individual or individuals who owns or owned, as a principal residence during the 3-year period before the purchase of a home with HOME assistance, a dwelling unit whose structure is:
 - not permanently affixed to a permanent foundation in accordance with local or state regulations; or
 - not in compliance with state, local, or model building codes and cannot be brought into compliance with such codes for less than the cost of constructing a permanent structure.



ADDITIONAL REQUIREMENTS--

Eligible applicants will be required to:

1. Provide minimum of a 1% down payment, the source of which cannot be a loan.

2. Prior to being accepted as a program participant (but not required prior to application for the program), the applicant must complete a City-approved homebuyer education program covering topics such as the home buying process, budgeting, and home maintenance.

SELECTION OF A HOME--

1. The home selected must be located within the City limits of Auburn.
2. The home must be owner-occupied, newly constructed, or a vacant unit three (3) months prior to submission of a purchase offer. For sale rental property occupied by a current tenant is not eligible for the Down Payment Assistance Program.
3. The size of the home is limited to no more than 3 bedrooms and 2 bathrooms.
4. All housing units must be in compliance with State and local codes and ordinances
5. Housing units located within a 100-year flood zone will be required to provide proof of flood insurance with an endorsement naming the City of Auburn as loss payee in order to close escrow.

Type and Condition of Home:

Housing unit types eligible for the homebuyer Program are new or previously owned single-family residences; condominiums; or manufactured homes in mobilehome parks, in common-interest developments or on a single-family lot and placed on a permanent foundation system. HOME does not allow manufactured homes unless on a permanent foundation system.

The City will inspect the dwelling for any code and/or health and safety deficiencies that need to be corrected (i.e. to insure basic health and safety requirements). All identified requirements must be completed and signed off by the City prior to City's final approval of down payment assistance for the unit.

Amount of Program Assistance

The amount of assistance will not exceed \$140,000, and shall not exceed more than 49% of the total indebtedness.

Loan Terms

The City's 0% loan is a deferred, 30-year loan, secured by a promissory note and deed of trust. No payments are required as long as the home remains the primary residence of the qualified low income, first time home buyer.

The City's note becomes due and payable when the home owner sells the property, rents the property, any change in title, changes the use from single family residential, or 30 years, which ever occurs first. The note becomes due and payable upon refinance, if the refinance is not approved by the City or the refinance exceeds the homeowner's equity at the time of refinance.

LOAN PAY OFF:

Recapture of Investment

Term: The Promissory Note shall be for a term of Thirty (30) years at which time all unpaid principal will be due and payable. Said maturity shall be on the same day of the year as the Date of the Note.

MONITORING:

The City of Auburn Community Development Department will monitor annually to insure the home has remained the program participant's primary residence. This monitoring may require contacting the homeowner annually.



For more information contact:

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